



KPMG Professional Services

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stanbic IBTC Capital Limited.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stanbic IBTC Capital Limited (the Company), which comprise the statement of financial position as at 31 December, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 1 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information which comprises the Report of the Directors, Statement of Directors' Responsibilities, and Other National Disclosures but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

KPMG Professional Services, a Partnership established under Nigeria law, is a member of KPMG International Cooperative ("KPMG International"), a swiss entity. All rights reserved.

Registered in Nigeria No BN 986925

Partners:

Adebisi O. Lamikanra	Adekunle A. Elebute	Adegoke A. Oyelami	Adetola P. Adeyemi
Adewale K. Ajayi	Ajibola O. Olomola	Ayobami L. Salami	Ayodele H. Othihiwa
Ayodele A. Soyinka	Chibuzor N. Anyanechi	Ehile A. Aibangbee	Goodluck C. Obi
Ibitomi M. Adepoju	Ijeoma T. Emezie-Ezigbo	Joseph O. Tegbe	Kabir O. Okunlola
Lawrence C. Amadi	Mohammed M. Adama	Nneka C. Eluma	Oguntayo I. Ogunbenro
Olabimpe S. Afolabi	Oladapo R. Okubadejo	Oladimeji I. Salaudeen	Olanike I. James
Olumide O. Olayinka	Olusegun A. Sowande	Olutoyin I. Ogunlowo	Oluwafemi O. Awotoye
Oluwatoyin A. Gbagi	Temitope A. Onitiri	Tolulope A. Odukale	Victor U. Onyenkpa



accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Awotoye

Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
29 March 2019
Lagos, Nigeria



Stanbic IBTC Capital Limited

Statement of financial position

As at 31 December 2018

	Note	31-Dec-18 N'000	31-Dec-17 N'000
Assets			
Cash and cash equivalents	4	9,909,136	7,398,526
Investment securities	6	658,235	649,981
Fees receivable	7	444,763	229,861
Other assets	8	517,587	1,741,000
Deferred tax assets	9	241,069	183,001
Property and equipment	10	16,268	9,843
Total assets		11,787,058	10,212,212
Liabilities			
Tax payable	11	848,158	514,731
Provisions	12	3,657,145	3,342,104
Employees benefits	13	98,099	77,194
Other liabilities	14	1,456,582	974,960
Total liabilities		6,059,984	4,908,989
Equity			
Share capital	15	2,000,000	2,000,000
Share premium	16	1,500,000	1,500,000
Reserves		2,227,074	1,803,223
		5,727,074	5,303,223
Liabilities and equity		11,787,058	10,212,212

The financial statements and notes were approved by the Board of Directors on 28 March 2019 and signed on its behalf by:



Funso Akere
Chief Executive
FRC/2016/IODN/00000014199
28 March 2019



Seun Omole
Chief Financial Officer
FRC/2017/ICAN/00000017693
28 March 2019



Yinka Sanni
Chairman
FRC/2013/CISN/00000001072
28 March 2019

The accompanying notes on pages 5 to 38 form an integral part of these financial statements

Stanbic IBTC Capital Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2018

	Note	31-Dec-18 N'000	31-Dec-17 N'000
Gross revenue		4,959,973	4,448,913
Fee and commission income	18	3,985,066	3,319,617
Interest income	19	715,156	729,141
Revenue on financial instruments designated at fair value through profit or loss	20	-	284,083
Other income	21	259,751	116,072
Total income		4,959,973	4,448,913
Operating expenses		(2,525,056)	(2,455,998)
Staff costs	22	(1,647,515)	(1,671,370)
Other operating expenses	22	(899,436)	(706,172)
Impairment charge/ write-back	8(e)	21,895	(78,456)
Profit before taxation		2,434,917	1,992,915
Income tax	24	(793,376)	(395,422)
Profit for the year		1,641,541	1,597,493
<i>Other comprehensive income</i>			
Item that will not be reclassified to profit or loss			
Net change in fair value of FVOCI financial assets		8,254	-
Item that may be reclassified subsequently to profit or loss			
Net change in fair value of available for sale financial assets		-	128,099
Total comprehensive income		1,649,795	1,725,592

The accompanying notes on pages 5 to 38 form an integral part of these financial statements